

## Letter from 34 Environmental Organizations Opposed to Including PXP Offshore Oil Drilling Proposal in Budget



July 22, 2009  
Governor Arnold Schwarzenegger

State Capitol

Dear Governor Schwarzenegger:

The undersigned 34 environmental organizations are writing to express our strong opposition to your inclusion in the budget of a proposal by Plains Exploration and Production (PXP) for the first new offshore oil lease in CA state waters in 40 years. While the precise language has not been released for legislative or public review, it is our understanding that it overrides the State Lands Commission's legitimate denial of this project, creates an ad-hoc commission dominated by gubernatorial appointments, instructs this commission to find that the lease is in the best interest of the state, extends The Beacon Foundation Wild Heritage Planners Buena Vista Audubon the duration of drilling operations, gives the public a mere 5 days of notice prior to a hearing, and fails to include any specifics on royalty payments that are supposed to be the rationale your Administration has given for approving this lease in this most unprecedented manner.

Should your Administration be serious about providing additional revenue for the state budget, you have the option of imposing an oil severance tax. Imposition of this tax would provide California with close to \$ 1 billion dollars in revenue in this fiscal year. Given that every oil-producing state, including Texas, Oklahoma, and Alaska have such a tax, it is inexplicable that your Administration would instead choose to opt for a \$100 million advance loan from PXP that must be repaid within three years. Approval of this project via the budget fails to take into account the consequences of reversing 40 years of long-standing state policy on both new federal leasing and additional leasing in state waters. Furthermore, no Governor since the advent of the 1969 oil spill, either Republican or Democrat, has supported new offshore oil drilling in state waters.

We are further dismayed by Senator Hollingsworth's admission in his email to the Senate Republican Caucus that the goal and intent of your legislation is not to allow legitimate review of this project but to make it "impossible to stop" the approval of this project.

This project was denied at the State Lands Commission based on three overriding concerns. The contractual terms were secret and not available for public review, the terms of the deal were not enforceable given the Federal government's statutory obligation to extract the resource, and the precedent it would set for additional drilling along the coast in federal and state waters.

Since this project was denied, 35 environmental groups have objected to its approval in the budget, including the local environmental group who initially negotiated the confidential deal. These groups have been joined in opposition by Senator Barbara Boxer, Lt. Governor John Garamendi, State Controller John Chiang, the Los Angeles Times, the San Francisco Chronicle and the Ventura County Star and many other legislators and individuals who object to this wholesale reversal of state policy PXP has always had the right to bring their project back before the State Lands Commission.

PXP has always had the right to follow existing law and attempt to cure the enforceability problems that plague its project.

If you strongly support this proposal, then the appropriate way to express that support is in front of the State Lands Commission, the agency that has been entrusted with reviewing new offshore oil leases in CA state waters since 1938.

We urge you to rethink this ill-advised maneuver, remove the PXP proposal from the budget, and instruct PXP to take its application back to the State Lands Commission. If they can comply with the enforceability requirements and overcome federal pre-eminence in this regard, they should attempt to do so.

We understand and appreciate that you have taken several important steps over the course of your Administration to advance environmental policy. We also believe that your insistence on the approval of the first new offshore oil lease in CA state waters in 40 years via the subversion of existing California law will undo that legacy.

Sincerely yours,

Amigos de Bolsa Chica- Dave Carlberg  
Audubon California-Dan Taylor  
Beacon Foundation- Vickie Finan  
Bolsa Chica Land Trust- Paul Arms  
Buena Vista Audubon- Joan Horowitz  
California Coastal Network- Steve Asceti  
California Coastal Protection Network- Susan Jordan  
Clean-Marcia Hanscom  
Coastal Environmental Rights Foundation- Marco Gozales  
Coastwalk California- Fran Gibson  
Committee for Green Foothills- Lennie Roberts  
Defenders of Wildlife- Richard Charter  
Ecoslo-Morgan Rafferty  
Endangered Habitats League- Dan Silver  
Environment California- Dan Jacobson  
Environmental Action Committee of W. Marin  
Environmental Health Coalition- Laura Hunter  
Friends of Harbors, Beaches and Parks  
Heal the Bay- Sonia Diaz  
Inland Empire Waterkeeper- Autumn De Woody  
League for Coastal Protection- Mel Nutter  
Malibu Coast Land Conservancy- Steve Uhring  
Natural Resources Defense Council- Virginia Rome  
Ocean Outfall Group- Jan D. Vaandersloot,  
Orange County Coastkeeper- Garry Brown  
Residents for Responsible Desalination- Merle Moshiri  
San Diego Coastkeeper- Bruce Reznik

San Luis Obispo Coastkeeper- Gordon Hensley  
Santa Monica Baykeeper- Tom Ford  
Sea and Sage Audubon- Scot Thomas  
South Laguna Civic Association-Bill Rihn  
Urban Wildlands-Catherine Rich  
Vote the Coast- Sara Wan  
Western Alliance for Nature- Larry Wan  
Wild Heritage Planners- Jack Eidt  
Wildcoast- Serge Dedina

Cc: Senate President Pro Tem Darrell Steinberg,  
Assembly Speaker Karen Bass  
Senator Dennis Hollingsworth  
Assemblymember Sam Blakeslee